



JOAN SMITH
Acting Director

County of Los Angeles DEPARTMENT OF CHILDREN AND FAMILY SERVICES

425 Shatto Place, Los Angeles, California 90020
(213) 351-5602

September 12, 2006

Board of Supervisors

GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVE AMENDMENT NUMBER ONE TO AGREEMENT NUMBER 75457
WITH PACIFIC TOXICOLOGY LABORATORIES
(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Mayor to sign Amendment Number One (Attachment A) to Agreement Number 75457 for Urine Sample Collection/Drug and Alcohol Testing Services with Pacific Toxicology Laboratories, to increase the Maximum Annual Contract Sum by \$400,000, from \$1,000,000 to \$1,400,000, effective the date of Board approval through December 31, 2006, and two optional one-year extensions if exercised, to fund an increased level of services. The services increase is financed by 75% (\$300,000) Federal revenue, 17.5% (\$70,000) State revenue and 7.5% (\$30,000) net County cost (NCC). Sufficient funding is included in the FY 2006-07 Adopted Budget.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The recommended action will increase the level of urine sample collection and drug/alcohol testing services to DCFS clients. The increase in services will allow DCFS to accommodate the increased number of parents/caregivers of children under DCFS' supervision who are required by either the Court or the Children Services Workers (CSW) to undergo drug/alcohol testing. It will further accommodate an increase in the frequency of additional drug tests ordered by the Court from bi-weekly to weekly in instances where bi-weekly testing proved ineffective.

These services will provide DCFS with a tool to assist in determining whether children are safe in the home of their parents or caregivers or can be safely returned to their parents or caregivers when either in the past or present, substance abuse has been an identified factor in child abuse or neglect allegations. This is consistent with DCFS goals to improve safety, improve permanence and reduce reliance on detention.

If the recommended action is not approved, drug/alcohol testing will not be readily available to meet the needs of DCFS. The safety of children in the home of their parents and caregivers with a history of drug/alcohol abuse, and efforts to return children to their homes quickly will be compromised.

Implementation of Strategic Plan Goals

The recommended action is consistent with the principles of the Countywide Strategic Plan Goal 1, Service Excellence and Goal 5, Children and Families' Well-Being by ensuring the safety of children in the home of their parents/caregivers.

FISCAL IMPACT/FINANCING

The \$400,000 increase in the Maximum Annual Contract Sum is financed by 75% (\$300,000) Federal revenue, 17.5% (\$70,000) State revenue, and 7.5% (\$30,000) NCC. Sufficient funding is included in the FY 2006-07 Adopted Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Agreement with Pacific Toxicology Laboratories was adopted by the Board on December 6, 2005, for the period January 1, 2006 to December 31, 2006, with two one-year options to renew.

The increase is necessary due to unanticipated month-to-month increase in the tests requested by the Juvenile Court and the CSWs. Consequently, expenditure has increased by approximately \$20,000 a month from January 1, 2006 to May 31, 2006, and the Annual Contract Sum is depleting more quickly than anticipated. Amendment One will increase the Maximum Annual Contract Sum by \$400,000, from \$1 million to \$1.4 millions and will provide funding for the projected drug testing need through December 31, 2006.

If both of the optional one-year extensions are exercised, the total Maximum Contract Sum for the three-year contract period would be increased by \$1.2 millions, from \$3 millions to \$4.2 millions.

The Honorable Board of Supervisors
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The increase in funding is due to an unanticipated number of testings. In January 2006, the total number of tests was 4,643. It increased to a high of 5,445 in March 2006. The number of tests in June 2006, based on the vendor's verbal report, is approximately 5,300, and approximately a 14% increase over January 2006.

Pacific Toxicology Laboratories is in compliance with all Board and Chief Administrative Office (CAO) requirements.

The CAO and County Counsel have reviewed this Board Letter. County Counsel has approved this Amendment Number One as to form.

CONTRACTING PROCESS

No additional contracting process was required for this Amendment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

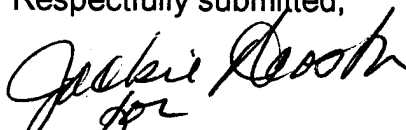
The recommended action will provide additional access to drug and alcohol testing to parents and primary caregivers who are in need of this service, and the goal in keeping families together in a safe and healthy environment.

CONCLUSION

Upon approval and execution of Amendment Number One, instruct the Executive Office/Clerk of the Board to send an executed copy of the adopted Board Letter and Amendment to:

1. Department of Children and Family Services
Contract Development/Fiscal Management
Attention: Walter Chan, Manager
425 Shatto Place, Room 400
Los Angeles, CA 90020
2. Office of the County Counsel
Social Services Division
Attention: David Beaudet, Deputy County Counsel
648 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012
3. Pacific Toxicology Laboratories
Attention: Thomas Kosco, Chief Executive Officer
9348 De Soto Avenue
Chatsworth, CA 91311

Respectfully submitted,



JOAN SMITH

Acting Director

JS:WC:SN:mb

Attachment (1)

c: Chief Administrative Office
County Counsel



**AMENDMENT NUMBER ONE
TO
AGREEMENT NUMBER 75457
WITH
PACIFIC TOXICOLOGY LABORATORIES**

**AMENDMENT NUMBER ONE TO AGREEMENT NUMBER 75457
WITH PACIFIC TOXICOLOGY LABORATORIES**

This Amendment Number One ("Amendment Number One") to Agreement Number 75457, adopted by the Board of Supervisors on December 6, 2005, is made and entered into by and between County of Los Angeles, ("COUNTY"), and Pacific Toxicology Laboratories ("CONTRACTOR"), for Urine Sample Collection/Alcohol and Drug Testing Services this _____ day of _____, 2006.

WHEREAS, the purpose of Amendment Number One is to increase the Maximum Annual Contract Sum for the period from January 1, 2006 through December 2006, and the two optional one-year extensions if exercised, to compensate CONTRACTOR for the administration of additional Urine Sample Collection/Alcohol and Drug Testing Services, and

WHEREAS, Amendment Number One is prepared according to the provisions set forth in Section 7.0, **CHANGES AND AMENDMENTS**, Subsection 7.2 of the Agreement;

NOW THEREFORE, COUNTY and CONTRACTOR hereby agree to amend the Agreement as follows:

1. Section 1.0, **APPLICABLE DOCUMENTS**, Subsections 1.2 and 1.4 are amended to add Exhibit A-4a and read as follows:

1.2 Exhibits A, A-1, A-2, A-3, A-4, A-4a, and Attachments, A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, and Q, set forth below are attached to and incorporated by reference in this Agreement.

1.4 In the event of any conflict or inconsistencies in the definition or interpretation of any word, responsibility, schedule, contents or description of any task, deliverable, product, service, or other work between this Contract, Statement of Work, and Exhibits, or among Exhibits, said conflict or inconsistencies shall be resolved by giving precedence first to the Contract and then the Exhibits and Attachments, according to the following priority:

Exhibit A	Statement of Work
Exhibit A-1	Performance Requirement Summary
Exhibit A-2	User Complaint Report
Exhibit A-3	Pricing Schedule
Exhibit A-4	Line Item Budget
Exhibit A-4a	Revised Line Item Budget
Attachment A	Auditor-Controller Contract Accounting and Administration Handbook
Attachment B	Internal Revenue Notice 1015

Attachment C	Jury Service Program Certification and Los Angeles Code 2.203 (Jury Service Program)
Attachment D	Safely Surrendered Baby Law Fact Sheet
Attachment E	CONTRACTOR's Administration
Attachment F	COUNTY's Administration
Attachment G	Independent Price Determination
Attachment H	Policy on Doing Business with Small Business
Attachment I	Child Support Compliance Program Certification
Attachment J	Guidelines for Federal Workplace Drug Testing Program
Attachment K	Contractors Obligation under HIPAA
Attachment L	Listing of Priority ZIP Code Areas for Collection Sites
Attachment M	Sample DCFS Forms for Urine Sample Collection/Drug and Alcohol Testing Services
Attachment N	CONTRACTOR's Equal Employment Opportunity (EEO) Certification
Attachment O	Community Business Enterprise Form (CBE)
Attachment P	CONTRACTOR's Employee Acknowledgment and Confidentiality Agreement
Attachment Q	CONTRACTOR'S Non-Employee Acknowledgement and Confidentiality Agreement

2. Section 4.0, **CONTRACT SUM**, Subsections 4.5 and 4.6 are deleted in its entirety, and replaced by the following to read:
 - 4.5. The total amount payable under this Contract is Four Million, Two Hundred Thousand Dollars (\$4,200,000), hereinafter referred to as "Maximum Contract Sum". The maximum amount payable under this Agreement for each of the Contract years shall not exceed the One Million Four Hundred Dollars (\$1,400,000), hereinafter referred to as "Maximum Annual Contract Sum"
 - 4.6 CONTRACTOR has prepared and submitted to COUNTY a budget segregating direct and indirect costs and profit for the work to be performed by CONTRACTOR under this Agreement, hereinafter referred as "Budget". Budgeted expenses shall be reduced by applicable CONTRACTOR revenues, which are identified thereon. The line items shall provide sufficient detail to determine the quality and quantity of services to be delivered. This budget is attached and incorporated by reference as Exhibit A-4, Line Item Budget, Exhibit A-4a, Amended Budget for the period January 1, 2006 to December 31, 2006. CONTRACTOR represents and warrants that the Budget is true and correct in all respects, and services shall be delivered hereunder in accordance with the Budget. In the event the Maximum Contract Sum is increased pursuant to Part II, Section 7.0, Changes and Amendments, hereof, CONTRACTOR shall prepare and submit an amended Budget.

3. Exhibit A-4a, Amended Budget for the period January 1, 2006 through December 31, 2006, is attached to this Amendment Number One and incorporated by reference into the Agreement.

EXCEPT AS AMENDED HEREIN, ALL OTHER TERMS AND CONDITIONS OF THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT.

**AMENDMENT NUMBER ONE TO AGREEMENT NUMBER 75457
WITH PACIFIC TOXICOLOGY LABORATORIES**

IN WITNESS WHEREOF, the Board of Supervisors of the COUNTY of Los Angeles has caused this Amendment Number One to be subscribed by its Mayor and the seal of such Board to be hereto affixed and attested by the Executive Officer thereof, and CONTRACTOR has caused this Amendment to be subscribed on its behalf by its duly authorized officer(s) as of the day, month and year first above written. The person signing on behalf of the CONTRACTOR warrants under penalty of perjury that he or she is authorized to bind the CONTRACTOR.

COUNTY OF LOS ANGELES

By _____
Mayor, Board of Supervisors

ATTEST:

SACHI A. HAMAI
Executive Officer-Clerk of the
Los Angeles County
Board of Supervisors

PACIFIC TOXICOLOGY LABORATORIES
CONTRACTOR

By _____
Deputy

By Thomas Kosco
Name THOMAS KOSCO
Title CEO

By Greg Carroll
Name GREG CARROLL
Title CHIEF FINANCIAL OFFICER

Tax Identification Number 95-3926170

APPROVED AS TO FORM:

BY THE OFFICE OF COUNTY COUNSEL
RAYMOND G. FORTNER, JR.
COUNTY COUNSEL

BY David Beaudet
David Beaudet, Deputy County Counsel

REVISED LINE ITEM BUDGET

Contractor's Name: Pacific Toxicology LaboratoriesService Category: Random Drug Testing

Date Prepared:

07/25/06**DIRECT COSTS**

Payroll

	<u>FTE</u>	<u>Hrly Rate</u>	<u>Monthly</u>
Accessioning Superv.	0.4	22.00	1,540
Accessioners	5.25	10.00	9,188
Data Entry Clerks	1.5	10.00	2,625
Client Service Rep (Lead)	1	17	2,975
Client Service Rep	1	14	2,450
Laboratory Director (RP)	0.25	35	1,531
Analyst	1.2	15	3,150
Med. Technologist	1.3	20.5	4,664
Analyst Confirm	0.8	15.00	2,100
Supply Clerk	0.3	19.00	998
Billing Coordinator	0.3	16.50	866
IT Manager	0.1	22.00	385
Financial Manager	0.05	35.00	<u>306</u>

Total Salaries and Wages 32,778

Employee Benefits

	<u>FTEs</u>	<u>per FTE</u>	<u>Monthly</u>
Medical Insurance	6	195	1,170
Dental Self-insurance	6	55	<u>330</u>

Total Employee Benefits 1,500

Payroll Taxes and Workers' Compensation

	<u>Percentage</u>	
Workers' Compensation	4.10%	1,344
Social Security (FICA)	6.20%	2,032
Medicare	1.45%	475
FUTA	0.80%	262
SUI	6.20%	<u>2,032</u>

Total Payroll Taxes 6,146

Other Direct Costs

Collection Fees	5,502	7.75	42,642
Collection Kits	0.68% of revenue		793
Chains of Custody	1.18% of revenue		1,377
Reagents and Lab Supplies	14% of revenue		16,333
Communications			800

Total Other Direct Costs 61,946

TOTAL DIRECT COSTS 102,369

INDIRECT COSTS

Transportation (samples)	5,000
Rent, utilities, etc.	2,500
Insurance	500

TOTAL INDIRECT COSTS 8,000

TOTAL DIRECT AND INDIRECT COSTS 110,369

PROFIT = 5.40% 6,298

TOTAL MONTHLY COSTS 116,667